

STURDY INDUSTRIES LIMITED

(CIN-L25209HP1989PLC009557)

Regd. Office: - 21, INDUSTRIAL AREA, PARWANOO, BADDI, HIMACHAL PRADESH- 173205

Tel- 01792-232570, 232863-64, Fax- 232770, Email:-legalsturdy@gmail.com

Website: - www.sturdyindustries.com,

NOMINATION AND REMUNERATION POLICY PURSUANT TO PROVISIONS OF SECTION 178 OF THE COMPANIES ACT 2013

INTRODUCTION:

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the listing regulations as amended from time to time, this policy on nomination and remuneration of Directors, Key Managerial Personnel and other employees has been formulated and approved by the Board of Directors.

DEFINITIONS

- **"Board"**, means Board of Directors of the Company.
- **"Directors"**, means Directors of the Company.
- **"Committee"**, means Nomination and Remuneration Committee of the Company as constituted by the Board.
- **"Company"**, means Sturdy Industries Limited (SIL).
- **"Independent Director"**, means a director referred to in section 149(6) of the Companies Act, 2013 and as per SEBI (LODR) Regulations 2015.
- **Key Managerial Personnel (KMP) means-**
 - (i) Managing Director or Chief Executive Officer or manager and in their absence, a Whole-time Director;
 - (ii) Chief Financial Officer;
 - (iii) Company Secretary;
 - (iv) Such other officer as may be prescribed under the applicable statutory provisions / rules and regulations.
- **"Regulations" or "Listing Regulations"** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- **"senior management"**, means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

OBJECTIVES AND PURPOSE OF THE POLICY:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Key Managerial positions and to determine their remuneration.

- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the finance industry.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and others Personnel.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and also to ensure long term sustainability of talented managerial persons to create competitive advantage.
- To provide guidelines for fixation of the remuneration of the Directors, Key Managerial Personnel and Senior Management Personnel of the Company to attract and retain the best talent for the growth and development of Company.

APPLICABILITY

- Directors (Executive and Non Executive)
- Key Managerial Personnel
- Senior Management Personnel

POLICY FOR NOMINATION, SELECTION AND APPOINTMENT OF DIRECTORS, KEY MANAGERIAL PERSONNEL (KMP) AND SENIOR MANAGERIAL PERSONNEL (SMP)

Policy for Directors

Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee comprises Non-executive Directors of the Company of which at least one-half are Independent Directors. It complies with the provisions of the Companies Act, 2013 and the corporate governance requirements of the SEBI (LODR) Regulations 2015.

Criteria for selection of directors

When considering appointments to the Board and its Committees, the Nomination and Remuneration Committee will draw up a specification for the role taking into consideration the balance of skills, knowledge and experience of its existing members, the diversity of the Board and the Company's ongoing requirements. The Company believes that diversity underpins the successful operation of an effective Board.

1. The NRC shall consider the following attributes/ criteria, whilst recommending to the Board any person for appointment as Director:-
 - a. Professional Qualification, expertise and experience in respective fields; understanding of key business concepts;
 - b. Personal background and integrity, professional reputation or business standing;
 - c. Diversity of the Board;
 - d. Alignment with ethics and the values of the Company;
 - e. Strong communication skills;
 - f. Availability of sufficient time to devote to the required role.
2. The NRC shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.

3. In case of appointment/re-appointment of Independent Directors, the NRC shall satisfy itself with regard to the independent nature of the Directors vis-s-vis the Company so as to enable the Board to discharge its function and duties effectively, without conflict of interest.

Criteria for Selection of the Key Managerial Personnel (KMP) / Senior Managerial Personnel (SMP)

When recommending a candidate for above appointment, the Nomination and Remuneration Committee would look into following attributes:

- I. Assessing the appointee against a range of criteria which includes but not be limited to qualifications, skills, regional and industry experience, background and other qualities;
- II. The skills and experience in relevant discipline;
- III. The nature of existing positions held by the appointee;
- IV. Communication and networking skills as per job requirement;
- V. Commitment to high standards of ethics, personal integrity and probity;
- VI. Commitment to the promotion of equal opportunities, health and safety in the workplace;
- VII. Nurturing and developing young and junior members through team building.

REMUNERATION TO WHOLE-TIME / EXECUTIVE / MANAGING DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL:

1. Fixed pay:

The Whole-time Director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

2. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

3. Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

REMUNERATION TO NON- EXECUTIVE / INDEPENDENT DIRECTOR:

1. Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder.

2. Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of the Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. Ten Thousand plus reimbursement of travel expenses per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

3. Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

4. Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

PENALTY FOR NON COMPLIANCE:

Pursuant to the provisions of the Companies Act 2013, fine which shall not be less than Rs. 1,00,000/- but which may extend to Rs. 5,00,000/- Officer in default Imprisonment for a term which may extend to one year or Fine which shall not be less than Rs. 25,000/- but which may extend to Rs. 1,00,000/- or with both.

AMENDMENTS TO THE POLICY:

The Nomination and Remuneration Committee shall review and may amend this policy from time to time, subject to the approval of the Board of Directors of the Company.
